



Serving the People of California

1996

TAX GUIDE FOR CALIFORNIA EMPLOYERS OF HOUSEHOLD WORKERS



EMPLOYMENT DEVELOPMENT DEPARTMENT OFFICES

EMPLOYMENT TAX CUSTOMER SERVICE OFFICES

Employment Tax Customer Service Offices (ETCSOs) are located throughout California to provide services to the employer community at the local level.

You may contact or visit a local ETCSO for advice regarding your responsibilities, as an employer, related to the taxes for Unemployment Insurance, Employment Training, Disability Insurance and Personal Income Withholding for California.

We can also assist you with forms and the filing of required reports. In addition, Employment Tax Seminars are provided on an as needed basis to help you understand your rights and responsibilities as an employer.

OUT-OF-STATE EMPLOYERS, contact:

Sacramento..... 10969 Trade Center Drive, Suite 200, Rancho Cordova, 95670-6140..... (916) 464-1056

IN-STATE EMPLOYERS, contact the office nearest you:

<u>City</u>	<u>Address</u>	<u>Telephone</u>	<u>FAX</u>
Bakersfield.....	1001 Tower Way, Suite 240, 93309	(805) 395-2896	(805) 395-2563
Capitola	2045 40th Avenue, Suite A, 95010	(408) 464-6293	(408) 475-9451
Chico	1370 Ridgewood Drive, Suite 10, 95973	(916) 895-4401	(916) 895-4404
Downey	8280 Florence Avenue 90240.....	(310) 923-1237	(310) 904-2843
Escondido	240 West 2nd Avenue, 92025	(619) 737-2200	(619) 737-2228
Eureka	611 "L" Street, Suite B, 95501	(707) 445-6522	(707) 441-5738
Fresno	1050 "O" Street, 93721	(209) 445-5132	(209) 445-5151
Laguna Hills.....	23151 Plaza Point Drive, Suite 140, 92653.....	(714) 768-6102	(714) 855-5147
Long Beach	4300 Long Beach Boulevard, Suite 400, 90807	(310) 428-0021	(310) 422-6698
Los Angeles.....	4021 Rosewood Avenue, Suite 301, 90004-2932	(213) 669-7670	(213) 661-5073
Modesto	3340 Tully Road, Suite E-10, 95350-0851.....	(209) 576-6207	(209) 576-6203
Monterey	1900 Garden Road, Suite 160, 93940	(408) 649-2902	(408) 655-8938
Oakland	7700 Edgewater Drive, Suite 100, 94621-3017.....	(510) 577-2396	(510) 577-7591
Orange	1855 West Katella Avenue, Suite 100, 92667	(714) 288-2601	(714) 288-2634
Pleasant Hill	3478 Buskirk Avenue, Suite 215, 94523-4345	(510) 977-8265	(510) 977-8290
Sacramento	9815 Goethe Road, Room A, 95827-3564	(916) 255-1965	(916) 255-1548
San Bernardino	215 North "D" Street, Suite 205, 92402-1368.....	(909) 383-4176	(909) 383-7900
San Diego.....	3110 Camino Del Rio South, Suite 100, 92108-3830.....	(619) 284-8615	(619) 284-1347
San Francisco	745 Franklin Street Room 302, 94102.....	(415) 929-5700	(415) 929-5746
San Jose	906 Ruff Drive, 95110.....	(408) 277-9400	(408) 277-9453
San Luis Obispo.....	3220 South Higuera Street, Suite 102, 93401-6959.....	(805) 549-3512	(805) 549-3192
San Mateo	951 Mariner's Island Boulevard, Suite 310, 94404	(415) 358-4102	(415) 358-4126
Santa Monica	914 Broadway, 90406.....	(310) 576-6400	(310) 395-6597
Santa Rosa.....	50 "D" Street, Room 415, 95404	(707) 576-2094	(707) 576-2601
Stockton	2529 West March Lane, Suite 105, 95207-8270	(209) 956-1438	(209) 956-1453
Van Nuys.....	6150 Van Nuys Boulevard, Room 210, 91401-3384.....	(818) 901-5208	(818) 901-5605
Ventura.....	2300 Allesandro Drive, Suite 100, 93001-3763.....	(805) 654-4506	(805) 654-4621
Visalia.....	3311 South Fairway Street, 93277-7777	(209) 635-3220	(209) 635-3235

At the following locations Customers will find self-service racks with tax forms, a mail drop, and a direct-line telephone to a nearby Employment Tax Customer Service Office.

El Monte	9537 Telstar Avenue, Suite 115, 91731-2907	(310) 923-1237
Redding	2400 Washington Avenue, Suite 400, 96001-2002	(916) 225-2205
Riverside	1180 Palmyrita Avenue, Suite B, 92507	(909) 383-4176
Vallejo	421 Tennessee Street, Room 2, 94590.....	(707) 648-4040
Yuba City.....	1548 Starr Drive, Suite A, 95993.....	(916) 741-4020

Hearing impaired persons can reach EDD through the California Relay Service, 1-800-735-2929.

All EDD offices are open Monday through Friday from 8 a.m. until 5 p.m. Offices are closed on state holidays

Equal Opportunity Employer/Program. Auxiliary services and assistance available to persons with disabilities. TTD Users, contact the California Relay Service: 1-800-735-2929

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HOW TO DECIDE WHEN YOU MUST REGISTER AS AN EMPLOYER

If you pay cash wages of \$750 to \$999.99 in one calendar quarter to people who work in or around your home as your employees, **you must register** with the Employment Development Department (EDD). You are required to withhold State Disability Insurance from your employees wages and send the payments to the EDD.

If you pay cash wages of \$1,000 or more in one calendar quarter to people who work in or around your home as your employees, **you must register** with the EDD. You are required to send payments for State Disability Insurance, Unemployment Insurance and Employment Training Tax to the EDD.

Wages are: 1) checks and currency paid to people who work for you; or 2) noncash payments, like meals and lodging, provided to people who work for you.

Even if you do not think you are an employer, we suggest you keep records for eight years of monies paid to people who work in or around your home. This will make it easier for you if a state or federal government agency asks to look at your records.

Your home may be defined as:

- an apartment
- a house
- a substitute for a house (such as a mobile home or a boat)
- a summer or winter home
- a local college club
- a local chapter of a college fraternity or sorority
- a hotel room (when the worker is employed by you and not by the hotel)

A guideline of who should be considered household employees can be found on the following page. If you are still uncertain about whether or not the people who work for you are household employees, please contact your nearest Employment Tax Customer Service Office (ETCSO). A list of the ETCSOs can be found inside the front cover of this guide.

HOUSEHOLD EMPLOYEES

THESE ARE HOUSEHOLD EMPLOYEES

- Babysitters
- Butlers
- Caretakers
- Chauffeurs
- Cooks
- Crews of Private Yachts
- Furnacepersons
- Gardeners
- Governess/Governors
- Handyperson
- Home Health Care Workers
- Housekeepers
- Janitors
- Laundry Workers
- Maids
- Pilots of Private Airplanes for Family Use
- Valets
- Waiter/Waitresses

THESE ARE NOT HOUSEHOLD EMPLOYEES

- Household services provided by independent businesses (for example: a janitorial service, catering service or gardening service)
- Carpenters
- Electricians
- Librarians
- Musicians
- Nursing Registry
- Employee Leasing Service
- Painters
- Plumbers
- Private Secretaries
- Tutors
- Your Child (under 18 years old)*
- Your Parent*
- Your Spouse*

* Under certain conditions, your child (under 18 years old), parent, or spouse are employees. Please contact your local Employment Tax Customer Service Office (ETCSO) for help in making this determination. A list of ETCSOs can be found inside the front cover of this guide.

WHAT YOU WILL FIND IN THIS GUIDE

This guide contains information on the following subjects:

- Definition of household employer
- Definition of household employee
- Payroll Record Keeping
- Preparing Reports, Returns and Tax Deposits
- Unemployment Insurance (UI) Contributions
- Employment Training Tax (ETT)
- State Disability Insurance (SDI) withholding
- California Personal Income Tax (PIT) withholding

Definitions of common words used in this guide can be found on page 43.

For questions about registering as an employer with the EDD, please call the EDD's Employer Registration Service at (916) 654-7041. You may call your local Employment Tax Customer Service Office (ETCSO) to ask any questions about this guide. Addresses and telephone numbers of ETCSOs are listed inside the front cover of this guide.

Other Requirements:

- For assistance with **federal tax requirements**, please call the Internal Revenue Service office listed in your local telephone book under U.S. Government Offices, Federal Tax Information and Assistance.
- For assistance with **workers' compensation requirements**, please call the Department of Industrial Relations, Workers' Compensation Division, listed under State of California in your local telephone book.

WHEN AND HOW TO REGISTER AS AN EMPLOYER

When you have paid \$750 in cash wages in one calendar quarter to people who work in or around your home as your employee, you have 15 days to register with the EDD. The four quarters in a year are:

QUARTER	MONTHS IN THE QUARTER
1st quarter	January, February, March
2nd quarter	April, May, June
3rd quarter	July, August, September
4th quarter	October, November, December

To register with the EDD, you will need to complete a Registration Form for Employers of Household Workers (Form DE 1HW). The EDD will give you an employer account number that looks like: 000-0000-0. This number will be on all the preprinted forms sent to you. You should use your account number when you call or write to the EDD. Our staff will be able to serve you better if you have your account number ready when you call or visit our offices.

There are three ways to register with the EDD. 1) TELE-REG SERVICE; 2) FAX; or 3) mail. To use the TELE-REG SERVICE, please call (916) 654-7041 and press "0" to speak to a staff person. Employers using the TELE-REG SERVICE receive their account number immediately. Employers who use the TELE-REG SERVICE must also mail a completed registration form to the EDD. If you need a registration form, please call (916) 654-7041 and the EDD will mail a form to you. You may FAX or mail your completed registration form to the EDD at the following address:

Employment Development Department
Tax Status and Exam Group, MIC 28
P.O. Box 826880
Sacramento, CA 94280-0002

FAX: (916) 654-9211

TELE-REG SERVICE: (916) 654-7041

A sample completed form and instructions are on the following page.

Following is a sample completed form and instructions for completing the form:



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This form will be the basic record of your ACCOUNT. **DO NOT FILE THIS FORM UNTIL YOU HAVE PAID WAGES OF \$750.** Please read the **INSTRUCTIONS** below before completing this form. **PLEASE PRINT OR TYPE.** Return this form to: **If you are an agency providing household workers for clients, you must file a Registration Form for Commercial Employers (DE 1).**

QUESTIONS: (916) 654-7041
EMPLOYMENT DEVELOPMENT DEPARTMENT
TAX STATUS & EXAM GROUP, MIC 28
P.O. BOX 826880
SACRAMENTO CA 94280-0001
(916) 654-7041

DE 1HW REGISTRATION FORM FOR EMPLOYERS OF HOUSEHOLD WORKERS

DEPT US	ACCOUNT NUMBER								QUARTER		ETDO		FED CODE		05	ON-LINE PROCESS DATE	TAS CODE

A. EMPLOYER NAME(S)				SOCIAL SECURITY NUMBER				DRIVER'S LICENSE NUMBER			
Ima Homemaker				123-45-6789				Z1234567			
B. MAILING ADDRESS P.O. Box or Street and Number P.O. Box 12345				CITY OR TOWN Homestead		STATE CA		ZIP CODE 12345		BUSINESS PHONE (123) 45607890	
IN CARE OF: None				C. EMPLOYEE WORK SITE ADDRESS 123 Myhouse Street, Homestead, CA						COUNTY Care	
D. TYPE OF ORGANIZATION				INDIVIDUAL <input checked="" type="checkbox"/> CORPORATION <input type="checkbox"/> OTHER <input type="checkbox"/>				Federal I.D. Number Applied For			
E. INDICATE QUARTER AND YEAR IN WHICH YOU FIRST PAID \$750 BUT NOT MORE THAN \$999 IN CASH WAGES:								Number of Employees			
<input type="checkbox"/> Jan.-Mar. 19__ <input type="checkbox"/> Apr.-June 19__ <input type="checkbox"/> July.-Sept.. 19__ <input checked="" type="checkbox"/> Oct.- Dec. 19__ <input type="checkbox"/> NONE											
F. INDICATE QUARTER AND YEAR IN WHICH YOU FIRST PAID \$1,000 OR MORE IN CASH WAGES:								Number of Employees			
<input type="checkbox"/> Jan.-Mar. 19__ <input type="checkbox"/> Apr.-June 19__ <input type="checkbox"/> July.-Sept.. 19__ <input checked="" type="checkbox"/> Oct.- Dec. 19__ <input type="checkbox"/> NONE											
G. WILL YOU WITHHOLD PERSONAL INCOME TAX FROM ANY EMPLOYEE WAGES?								<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES			
H. HAVE YOU EVER BEEN REGISTERED WITH THIS DEPARTMENT?				IF YES, ENTER EMPLOYER ACCOUNT NUMBER BUSINESS NAME AND ADDRESS							
<input type="checkbox"/> NO <input checked="" type="checkbox"/> YES				ACCOUNT NUMBER 123-4567-8		BUSINESS NAME Ima Homemaker		ADDRESS P.O.Box 12345, Homestead, CA			
I. DECLARATION											
These statements are hereby declared to be correct to the best knowledge and belief of the undersigned.											
Signature <u>Ima Homemaker</u>				Date <u>11-15-93</u>		Residence Phone <u>(123) 456-7890</u>					
Title <u>Owner</u>		Residence Address <u>123 Myhouse Street</u>		<u>Homestead</u>		<u>CA</u>		<u>12345-1234</u>			
(Owner, Partner, Officer, etc.)				Street		City		State		ZIP Code	

INSTRUCTIONS: YOU MUST FILL OUT THIS FORM TO REGISTER WITH EDD WITHIN 15 DAYS OF EMPLOYING AND PAYING HOUSEHOLD WORKERS CASH WAGES TOTALLING \$750 OR MORE IN ANY CALENDAR QUARTER. COMPLETE ALL SECTIONS AS FOLLOWS:

- ENTER FULL NAME, SOCIAL SECURITY NUMBER AND DRIVER'S LICENSE NUMBER OF THE EMPLOYER(S) OF THE HOUSEHOLD WORKER(S).
- ENTER THE ADDRESS WHERE EDD CORRESPONDENCE AND FORMS SHOULD BE SENT.
- ENTER ADDRESS WHERE HOUSEHOLD WORKER PERFORMS DUTIES IF DIFFERENT THAN MAILING ADDRESS. ENTER COUNTY OF WORK LOCATION.
- CHECK THE APPROPRIATE BOX, IF OTHER, PLEASE SPECIFY. ENTER FEDERAL IDENTIFICATION NUMBER(S). IF NOT ASSIGNED, ENTER "APPLIED FOR".
- CHECK THE APPROPRIATE BOX WHEN YOU FIRST PAID \$750 OR MORE IN CASH WAGES. ENTER TOTAL NUMBER OF HOUSEHOLD EMPLOYEES WORKING FOR YOU. THESE WAGES ARE SUBJECT TO STATE DISABILITY INSURANCE WITHHOLDING.
- CHECK THE APPROPRIATE BOX WHEN YOU FIRST PAID \$1,000 OR MORE IN CASH WAGES, OR CHECK NONE. ENTER THE TOTAL NUMBER OF EMPLOYEES WORKING FOR YOU. THESE WAGES ARE SUBJECT TO UNEMPLOYMENT INSURANCE AND EMPLOYMENT TRAINING TAXES AND STATE DISABILITY INSURANCE WITHHOLDINGS. BOTH HOUSEHOLD WORKER AND HOUSEHOLD EMPLOYER MUST AGREE IF PERSONAL INCOME TAX IS WITHHELD FROM WORKER'S WAGES.
- CHECK THE APPROPRIATE BOX.
- CHECK NO OR YES BOX AND PROVIDE ADDITIONAL INFORMATION FOR YES ANSWERS.
- THIS DECLARATION MUST BE SIGNED BY ONE OF THE PERSONS LISTED IN A.

WE WILL NOTIFY YOU OF YOUR EDD ACCOUNT NUMBER BY MAIL. TO HELP YOU UNDERSTAND YOUR TAX WITHHOLDING AND FILING RESPONSIBILITIES, YOU WILL BE SENT A **HOUSEHOLD EMPLOYER'S GUIDE, DE 8829**. YOU CAN ALSO CONTACT YOUR NEAREST EMPLOYMENT TAX CUSTOMER SERVICE OFFICE AS LISTED IN THE WHITE PAGES OF THE TELEPHONE DIRECTORY.

PAYROLL RECORD KEEPING

If you have household employees, you must keep payroll records for at least four complete years. Each worker's payroll record must show:

- Worker's Name
- Worker's Social Security Number
- Date hired, rehired or returned to work after a temporary layoff
- Date separated
- Place of Work
- Show each of these items separately:
 - a. Cash Wages
 - b. Noncash Wages, like meals and lodging (use the meals and lodging value table on page 13)
 - c. Employee taxes: Federal Social Security and Medicare, State Disability Insurance and California Personal Income Tax

The following is a sample that may be used to record individual employee wage information:

EMPLOYEE EARNINGS RECORD

Employee's
Name: _____
Social
Security
Number: _____

Date Hired/Rehired/
Returned to Work from
Lay Off: _____

Date separated: _____

QUARTER

CALENDAR WEEK ENDING	NONCASH WAGES EARNED	CASH WAGES EARNED	SDI	PIT	SOCIAL SECURITY	MEDICARE	DATE PAID	TOTAL CASH AND NONCASH WA
TOTAL								

Employer's
Name:

Address: _____

TYPES OF HOUSEHOLD EMPLOYERS

Household employers have two options for filing payroll tax reports and payments with EDD:

1. **Annual Pay and Reconciliation Filers** send wage reports quarterly and payroll taxes once a year. They pay less than \$20,000 a year in wages to their employees. Annual Pay and Reconciliation Filers must send the following forms:
 - A. Employer of Household Workers Election Notice (Form DE 89). The Form DE 89 is filed only one time to inform the EDD of your choice to pay payroll taxes once a year.
 - B. Report of Wages for Employer of Household Workers (Form DE 3BHW) - This form is due each quarter and must be postmarked by April 30, 1996, July 31, 1996, October 31, 1996 and January 31, 1997, to be timely.
 - C. Annual Contribution Return for Employer of Household Workers (Form DE 3HW) - This form is due only once a year and must be postmarked by January 31, 1997, to be timely.

If your total wages paid to employees are \$20,000 or less in a year, you may send your payroll taxes once a year. If you wish to pay annually, please complete and mail the Employer of Household Workers Election Notice (Form DE 89). This form is included in the employer packet sent to you after you register with the EDD.

A sample completed form is on the following page.



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State of California/Employment Development Department / P.O. Box 826880 Sacramento CA 94280-0001

Date: April 4, 1996

Account No. 123-45-6789

California law allows certain Employers of Household Workers the option to pay California employment taxes for their household employees annually instead of quarterly. To be eligible to elect this option, an employer must:

- Be registered with this department as an Employer of Household Workers.
- Have no delinquent taxes or returns due to the department.
- Intend to pay \$20,000 or less in wages per year to your household employees. (The sum of all subject wages, cash or non-cash, paid to all employees must be no more than \$20,000 per year.)
- Submit wage information to the department quarterly. The department will provide you with forms for this purpose.
- Complete the election form at the bottom of this document and return it to the address indicated. If approved, the election will be effective the first day of the quarter in which the election is filed.

If you need assistance, telephone the Tax Status and Examination Group at (916) 654-7041.

Please cut and return the bottom portion of this form to the address below.
You may also fax your election form to (916)654-9211

EMPLOYER OF HOUSEHOLD WORKER ELECTION

ACCOUNT: 123-456789

I am an employer of household workers and wish to elect to pay California employment taxes annually. I intend to pay no more than \$20,000 per year in wages to my workers. I understand that if I pay more than \$20,000 in a year, the election will be terminated and I will be required to file and pay all payroll taxes owed for the year at the end of the calendar quarter. I will also be required to file quarterly tax returns with payment for the remainder of the year. I will then need to file a new election to be eligible for this program in subsequent years in the future.

STATE OF CALIFORNIA
EMPLOYMENT DEVELOPMENT DEPARTMENT, MIC 28
P.O. BOX 826880
SACRAMENTO CA 94280-0001

<i>Ima Homemaker</i>	11-11-95
Signature	Date

Ima Homemaker	(123) 456-7890
Print Name	Telephone Number

Under this option, you must file employee wage information each quarter using a Report of Wages for Employer of Household Workers (Form DE 3BHW). At the end of 1996, the EDD will send you an Annual Contribution Return for Employer of Household Workers (Form DE 3HW). Use this form to report and pay your 1996 payroll taxes. The Annual Contribution Return for Employer of Household Workers (Form DE 3HW) and your payment must be postmarked by January 31, 1997, to be timely.

If your total wages exceed \$20,000 during the year, please notify the EDD that you need to change to an Annual Filer for the remainder of 1996. The EDD will send you an Annual Contribution Return for Employer of Household Workers (Form DE 3HW). You should complete the form for all prior quarters in 1996 and return it with your payroll tax payment. For the remainder of 1996, you must send payroll taxes quarterly. A Report of Contributions (Form DE 88) coupon book will be mailed to you to use when sending quarterly payroll taxes.

2. **Annual Filers** must send payroll taxes and reports of wages to the EDD each quarter and file an annual reconciliation of payroll taxes. They pay \$20,000 or more each year to their employees. Annual Filers must send the following forms to the EDD:
 - A. Report of Contributions (Form DE 88) - This form is due each quarter with your payroll tax payment. The form and payment must be postmarked by April 30, 1996, July 31, 1996, October 31, 1996 and January 31, 1997, to be timely.
 - B. Quarterly Wage Report (Form DE 6) - This form is due each quarter and must be postmarked by April 30, 1996, July 31, 1996, October 31, 1996 and January 31, 1997, to be timely.
 - C. Annual Reconciliation Return (Form DE 7) - This form is due only once a year and must be postmarked by January 31, 1997, to be timely.

Annual Filers must send payroll taxes each quarter. A Report of Contributions (Form DE 88) coupon book will be mailed to you before March 31, 1996 to use whenever you send payroll taxes to the EDD. Annual Filers will also receive a Quarterly Wage Report (Form DE 6) at the end of each quarter.

HOW TO COMPUTE PAYROLL TAXES

Annual Pay and Reconciliation Filer:

Annual Pay and Reconciliation Filers should compute payroll taxes as explained below:

1. How To Compute SDI Withholding:

If you pay cash wages of \$750 to \$999.99 in one quarter, then you must withhold State Disability Insurance (SDI) contributions from the wages paid to people who work in or around your home. For 1996, you need to withhold .8 percent of the first \$31,767 of each employee's wages and send this amount. You are responsible for sending SDI payments even if you do not withhold SDI from your employees' wages.

Your SDI payment and your Annual Contribution Return for Employer of Household Workers (Form DE 3HW) must be postmarked by January 31, 1997, to be timely.

NOTE: SDI withholding should be made on all cash and noncash payments, like meals and lodging. The Value of Meals and Lodging Table can be found on page 18.

NOTE: If at any time during 1995, you began to pay your employees less than \$750 in wages in a quarter, you must still continue to send SDI payments through December, 1996.

If at any time during 1996, you begin to pay your employees less than \$750 in wages in a quarter, you must still continue to send SDI payments through December, 1997.

2. How To Compute UI Contributions:

If you pay cash wages of \$1,000 or more in one quarter to people who work in or around your home, you still need to withhold .8 percent of the first \$31,767 of each employee's wages for State Disability Insurance (SDI),

AND

You must also pay Unemployment Insurance (UI) and Employment Training Tax (ETT) at the following rates:

- UI is paid at the rate assigned to you on the first \$7,000 of wages paid to each employee in 1996. Your UI tax rate will be given to you when you register with the EDD. Your UI tax rate is updated once each year.
- ETT is paid at .1 percent on the first \$7,000 of wages paid to each employee in 1996.

UI and ETT amounts are paid by the employer and not withheld from your employee's wages.

NOTE: The wages in lines "B" and "C" of your Annual Contribution Return for Employer of Household Workers (Form DE 3HW) should be the total of the wages that you are responsible for paying UI and ETT contributions. For example:

- 1. If you were responsible for paying UI and ETT contributions in 1995, you must pay UI and ETT for all four quarters of 1996.*
- 2. If you became responsible for paying UI and ETT contributions in 1996, the wages in lines "B" and "C" of the Annual Contribution Return for Employer of Household Workers (Form DE 3HW) would be the total of the quarter that you first paid \$1,000 or more to your employees and all remaining quarters in 1996.*

Your payroll taxes and Annual Contribution Return for Employer of Household Workers (Form DE 3HW) must be postmarked by January 31, 1997, to be timely.

NOTE: SDI, UI and ETT must be paid on all cash and noncash payments, like meals and lodging. The Value of Meals and Lodging Table can be found on page 18.

NOTE:

- If at any time during 1995, you began to pay your employees less than \$1,000 in wages in a quarter, you must still continue to send SDI, UI and ETT payments through December, 1996.*
- If at any time during 1996, you begin to pay your employees less than \$1,000 in wages in a quarter, you must still continue to send SDI, UI and ETT payments through December, 1997.*

Annual Filer:

Annual Filers should compute payroll taxes as explained below:

1. How To Compute SDI Withholding:

If you pay cash wages of \$750 to \$999.99 in one quarter, then you must withhold State Disability Insurance (SDI) contributions from the wages paid to people who work in or around your home. For 1996, you need to withhold .8 percent of the first \$31,767 of each employee's wages. Your SDI payment and a Report of Contributions (Form DE 88) must be sent each quarter, postmarked by April 30, 1996, July 31, 1996, October 31, 1996 and January 31, 1997, to be timely.

NOTE: SDI withholding should be made on all cash and noncash payments, like meals and lodging. The Value of Meals and Lodging Table can be found on page 18.

NOTE:

- *If at any time during 1995, you began to pay your employees less than \$750 in wages in a quarter, you must still continue to send SDI, payments to the EDD through December, 1996.*
- *If at any time during 1996, you begin to pay your employees less than \$750 in wages in a quarter, you must still continue to send SDI, payments to the EDD through December, 1997.*

2. How To Compute UI Contributions:

If you pay cash wages of \$1,000 or more in one quarter to people who work in or around your home, you still need to withhold .8 percent of the first \$31,767 of each employee's wages for State Disability Insurance (SDI),

AND

You must also pay Unemployment Insurance (UI) and Employment Training Tax (ETT) at the following rates:

- UI is paid at the rate assigned to you on the first \$7,000 of wages paid to each employee in 1996. Your UI tax rate will be given to you when you register with the EDD. Your UI tax rate is updated once each year.
- ETT is paid at .1 percent on the first \$7,000 of wages paid to each employee in 1996.

UI and ETT amounts are paid by the employer and not withheld from your employee's wages.

Your payroll taxes and a Report of Contributions (Form DE 88) must be sent to the EDD each quarter, postmarked by April 30, 1996, July 31, 1996, October 31, 1996 and January 31, 1997, to be timely.

NOTE: SDI, UI and ETT must be paid on all cash and noncash payments, like meals and lodging. The Value of Meals and Lodging Table can be found on page 18.

NOTE:

- *If at any time during 1995, you began to pay your employees less than \$1,000 in wages in a quarter, you must still continue to send SDI, UI and ETT payments through December, 1996.*
- *If at any time during 1996, you begin to pay your employees less than \$1,000 in wages in a quarter, you must still continue to send SDI, UI and ETT payments through December, 1997.*

EXAMPLES OF WHEN AND WHAT TO REPORT

The following are examples explaining when you must pay payroll taxes. If you need help to determine if you must register as an employer with the EDD and pay payroll taxes, please contact your nearest Employment Tax Customer Service Office (ETCSO). A list of ETCSOs can be found on the inside front cover of this guide.

- You pay \$700 in wages in a calendar quarter, and provide meals and lodging valued at \$149. You would **not** be liable for any payroll taxes because the value of meals and lodging is not considered in reaching the \$750 wage limit for SDI.
- You pay \$750 in wages in a calendar quarter and provide meals valued at \$75. You must report the wages and pay SDI on the entire \$825. The UI and ETT wage limit of \$1,000 in a quarter has not been met, so the wages are subject to SDI only.
- You pay \$900 in wages in a calendar quarter, and provide meals and lodging valued at \$100. You must report the wages and pay SDI taxes on the entire \$1,000. However, you would **not** be liable for UI and ETT taxes because the \$1,000 cash wage limit has not been met.
- You pay \$1,000 in wages in a calendar quarter, and provide meals and lodging valued at \$100. You must report the wages and pay SDI, UI, and ETT taxes on the entire \$1,100.
- You pay \$900 in wages in a calendar quarter. You must report the wages and pay SDI taxes on the \$900. Later in the quarter, you hire another employee to whom you pay \$100. You have now met the \$1,000 wage limit and must report the wages and pay UI and ETT taxes, along with the SDI taxes, on the entire \$1,000.

VALUE OF MEALS AND LODGING TABLES

When meals and/or lodging are provided to an employee, the employee is receiving a form of payment. Please use the following tables to determine the value of the meals and/or lodging you provide to your employees.

Statutory Value of Meals Table:

3 Meals					
<u>Year</u>	<u>per day</u>	<u>Breakfast</u>	<u>Lunch</u>	<u>Dinner</u>	<u>Unidentified</u>
1992	\$ 6.25	\$ 1.35	\$ 1.90	\$ 3.00	\$ 2.15
1993	\$ 6.40	\$ 1.40	\$ 1.95	\$ 3.05	\$ 2.20
1994	\$ 6.60	\$ 1.45	\$ 2.00	\$ 3.15	\$ 2.30
1995	\$ 6.75	\$ 1.45	\$ 2.05	\$ 3.25	\$ 2.35
1996	\$ 6.90	\$ 1.50	\$ 2.10	\$ 3.30	\$ 2.40

Statutory Value of Lodging Table - With Maximum and Minimum Ranges (66 2/3% of ordinary rental value):

<u>Year</u>	<u>Maximum Per Month</u>	<u>Minimum Per Week</u>
1992	\$ 634	\$ 20.60
1993	\$ 648	\$ 21.00
1994	\$ 655	\$ 21.25
1995	\$ 659	\$ 21.35
1996	\$662	\$ 21.45

WITHHOLDING CALIFORNIA PERSONAL INCOME TAX

If your employee wishes to have Personal Income Tax (PIT) withheld from his/her wages **AND** you agree to withhold the amounts, then you also need to report and pay PIT to the EDD. PIT withholding may include the cash value of meals and lodging. When the value of meals and lodging is considered payment to your employees, the amounts must be added to the cash wages paid to your workers before computing the PIT to withhold. Please see meals and lodging value tables on page 18 to determine the cash value of these items. If you give meals and lodging to your employee(s) because it is convenient for you, then you should not withhold PIT for the value of the meals and lodging.

EXAMPLE: A governess who eats and lives in your home so she can take care of your children, would not have PIT withheld for the value of the meals and lodging because the meals and lodging are furnished for your convenience.

To have PIT withheld, your employee must complete a Federal Form W-4 or the EDD Form DE 4. Please send PIT withholdings to the EDD with your other payroll taxes. The PIT withholding tables are in the California Employer's Guide (Form DE 44). You can order a California Employer's Guide (Form DE 44) by calling or visiting your local Employment Tax Customer Service Office listed inside the front cover of this book.

HOW TO PREPARE PAYROLL TAX DEPOSITS

Annual Pay and Reconciliation Filer:

If you are an Annual Pay and Reconciliation Filer, you do not make payroll tax deposits during the year. Your payroll taxes are sent to the EDD once a year with your Annual Contribution Return for Employer of Household Workers (Form DE 3HW).

Annual Filer:

If you are an Annual Filer, a preprinted Report of Contribution (Form DE 88) coupon book will be sent to you after you register. You must reorder Report of Contribution (Form DE 88) coupon books as you need them from:

Employment Development Department
Status Unit, MIC 28
PO Box 826880
Sacramento, CA 94280-0001

(916) 654-7041

Please allow six to eight weeks for delivery.

Please use a Report of Contribution (Form DE 88) coupon when making a payment. If your coupon is lost or damaged, please call your nearest Employment Tax Customer Service Office (ETCSO) to order a new form.

Not having a coupon is not good cause for late filing of your payroll tax payments. If you have any questions about how to fill out the Report of Contribution (Form DE 88), please call your nearest ETCSO listed inside the front cover of this book.

Following is a sample completed form and instructions for completing the form:



DE 88

REPORT OF CONTRIBUTIONS (TYPE OR PRINT IN BLACK INK ONLY)

Serving the People of California
STATE OF CALIFORNIA
EMPLOYMENT DEVELOPMENT
DEPARTMENT
PO BOX 826276
SACRAMENTO CA 94230-6276

P.O. Box 826276
Sacramento, CA 94230-6276

This is your Account Number (Please enter on your check)

1 2 3 4 5 6 7 8

Iman Employer

Iman Employer (916) 012-3456

PREPARER

TELEPHONE NO.

1. PAYROLL DATE:

0 3 1 5 9 6

2. PAYMENT PERIOD:

NEXT BANKING DAY ☒

SEMI-WEEKLY ☐

MONTHLY ☐

3. QUARTERLY:
ENTER QUARTER

Y Y Q

4. PAYMENT AMOUNTS:

DOLLARS Cents

A) UI					2	5	0	0	0
B) ETT						7	5	0	
C) DI					1	0	0	0	0
D) California PIT					6	0	0	0	0
E) Penalty					7	0	0	0	
F) Interest						2	0	0	
G) TOTAL DUE					\$	1	0	2	9 5 0

PAY THIS AMOUNT
TOTAL LINES A THROUGH F.
DO NOT FOLD OR STAPLE.
Make check payable to EDD.
Mail to address at upper left.

DE 88 Rev. 11 (1-95)

REPORT OF CONTRIBUTIONS (DE88)
INSTRUCTIONS

Payroll Date

1) Enter the last day of the quarter, if you do not withhold Personal Income Tax from your employee's wages; 2) If you withhold PIT from your employee's wages, enter the last day of the month you accumulated more than \$350 in California PIT during one or more months in the quarter.

Payment Period

Leave blank.

Account Number

Your account number is preprinted on the Form DE 88 coupon. Verify the correctness of the number. Please use the Address Correction form in the back of the coupon booklet if you need to correct your account number.

Business Name

Your business name is preprinted on the Form DE 88 coupon. Verify the correctness of your business name. Please use the Address Correction form in the back of the coupon booklet if you need to correct your business name.

Payment Amounts Box A: Multiply the UI taxable wages by your UI rate and enter the result in Box A.
Box B: Multiply the UI taxable wages by the ETT rate and enter the result in Box B.
Box C: Multiply the DI taxable wages by the DI rate and enter the result in Box C.
Box D: If you withhold California PIT from your employee's wages, enter the total PIT withheld during the quarter in Box D. Please refer to your payroll records for this information.

If your payment is timely, penalty and interest is not due. Please go to "Total Due" Box.

Penalty Box E: Call your local Employment Tax Customer Service Office (ETCSO) for assistance in calculating penalties. A list of the ETCSO telephone numbers is located on the inside front cover of this guide.

Interest Box F: Call your local Employment Tax Customer Service Office (ETCSO) for assistance in calculating penalties. A list of the ETCSO telephone numbers is located on the inside front cover of this guide.

Total Due Box G: Add Boxes A, B, C, D, E and F. This is the TOTAL DUE amount. Enter this amount in Box G.

**Preparer/
Telephone** Print your name and enter your telephone number in the spaces provided.

HOW TO PREPARE QUARTERLY WAGE REPORTS

Annual Pay and Reconciliation Filer:

Annual Pay and Reconciliation Filers will use a Report of Wages for Employer of Household Workers (Form DE 3BHW) to report employee wages each quarter. Please use the Report of Wages for Employer of Household Workers (Form DE 3BHW) sent to you. If your form is lost or damaged, please call your nearest Employment Tax District Office (ETCSO) to order a new form.

Not having a form is not good cause for late filing of your quarterly wage reports. If you have any questions about how to fill out the Report of Wages for Employer of Household Workers (Form DE 3BHW), please call your nearest ETCSO listed inside the front cover of this book.

A sample completed form and instructions for completing the form are on the following pages.



Serving the People of California

**DE 3B HW QUARTERLY REPORT OF WAGES FOR
EMPLOYER OF HOUSEHOLD WORKERS**

APPROVED EXTENSION TO: _____

PLEASE TYPE ALL INFORMATION

QUARTER ENDED June 30, 1996 DUE July 1, 1996DELINQUENT IF
NOT POSTMARKED
OR RECEIVED BYJuly 31, 1996YR. QTR
96 2EMPLOYER ACCOUNT NO.
Ima Homemaker
123 Myhouse Street
Homestead, CA 12345

DEPT. USE ONLY		DO NOT ALTER THIS AREA									
		<div style="display: flex; justify-content: space-between;"> P1 C S W A </div>									
		<div style="display: flex; justify-content: space-between;"> Mo. Day Yr. WIC </div>									
		<div style="display: flex; justify-content: space-between;"> EFFECTIVE DATE = = = </div>									
		A. NO. OF EMPLOYEES EARNING WAGES DURING 12TH DAY OF CALENDAR MO.									
		1ST MONTH		2ND MONTH		3RD MONTH					
		1		1		1					

DEPT. USE	B. SOCIAL SECURITY ACCOUNT NUMBER	C. First Initial	EMPLOYEE NAME Last Name	D. TOTAL WAGES PAID THIS QUARTER		E. CALIFORNIA PERSONAL INCOME TAX WITHHELD THIS QUARTER	
	234-56-7890	L	Smith	1000	00	0	
Enter Totals —————>				F. 1000	00	G. 0	

No Payroll
This Quarter*I declare that the information herein is true and correct to the best of my knowledge and belief.*H. Signature Ima Homemaker Title Employer Phone (923) 456-7890 Date July 1, 1996
(Employer, Accountant, Preparer, etc.)

You have received this REPORT OF WAGES FOR EMPLOYER OF HOUSEHOLD WORKERS, DE 3B HW, in lieu of the Quarterly Wage Report, DE 6, because you elected to pay contributions for your Household Workers on an annual basis. This form will be mailed to you quarterly and an ANNUAL CONTRIBUTION RETURN FOR EMPLOYER OF HOUSEHOLD WORKERS, DE 3 HW, will be mailed to you in the fourth quarter. The Annual process is only available to employers that pay \$20,000 or less in household wages during the calendar year. If your wage estimate is understated and you do pay more than \$20,000 in wages in the calendar year, please follow the instructions on the back of this form under the "QUESTION" topic.

Please complete this form even if you had no payroll by indicating "0" in each of the three boxes in Items A and also in boxes F and G. In addition, please mark the "No Payroll This Quarter" box.

Instructions for completion are available on the back of this form.

INSTRUCTIONS
REPORT OF WAGES FOR EMPLOYER OF
HOUSEHOLD WORKERS (DE 3BHW)

ITEM INSTRUCTIONS

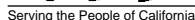
- A. For each of the three months in the quarter, enter the number of employees earning or receiving wages for the pay period(s) that includes the 12 day of each month. Blank boxes will be identified as missing information. If you had no employees for that period, please write 0 in the box that applies to the period that you had no employees.
- B. List the Social Security Account Number (SSN) of each employee. If an employee does not have a SSN, report their wages without the number. Inform your employee that you must have their SSN.
- C. Enter the initial of the first name and then the last name of each employee you paid wages for household employment.
- D. Enter the total amount of cash and non-cash wages paid to each employee during the calendar quarter. Please do not use commas, dollar signs or periods.
- E. Enter the total of the amount in Item D.
- F. The person preparing this form or the person responsible for the information on this form must sign Item F. Include the person title, telephone number and the date the form is signed.

Annual Filer:

Annual Filers will use a Quarterly Wage Report (Form DE 6) to report employee wages. Please use the Quarterly Wage Report (Form DE 6) sent to you. If your form is lost or damaged, please call your nearest Employment Tax District Office (ETCSO) to order a new Quarterly Wage Report (Form DE 6).

Not having a form is not good cause for late filing of your quarterly wage reports. If you have any questions about how to fill out the Quarterly Wage Report (Form DE 6), please call your nearest ETCSO listed inside the front cover of this book.

A sample completed form and instructions for completing the form are on the following pages.



PLEASE TYPE THIS FORM—DO NOT ALTER PREPRINTED INFORMATION

Approved Extension To

You must FILE this report even though you had no payroll. If you had no payroll, complete Items C and I. Instructions for completion are available on the back of this form.

DUE

DELINQUENT IF
NOT POSTMARKED
OR RECEIVED BY

YR	QTR
96	2

EMPLOYER ACCOUNT NO.

123-4567-8

Iman Employer
123 Main Street
Anytown, CA 12345

DO NOT ALTER THIS AREA									
Pt	C	S	W	A					
Mo.	Day	Yr.	WIC						
EFFECTIVE DATE	=	=	=						

B. NUMBER OF EMPLOYEES earning wages during or receiving pay for the pay periods that include the 12th day of calendar month

1st Mo.	4	2nd Mo.	3	3rd Mo.	4
---------	---	---------	---	---------	---

C. ☐ NO PAYROLL D. ☐ OUT OF BUSINESS / FINAL REPORT

Page number 1 of 1

A. Check ONE of the boxes below to indicate the type of subject wages and/or withholding you are reporting on this page. (See instructions for Item A)

1. ☐ UI AND DI WAGES 2. ☐ UI WAGES ONLY 3. ☐ DI WAGES ONLY 4. ☐ UI AND VOLUNTARY PLAN DI WAGES 5. ☐ PERSONAL INCOME TAX WITHHELD ONLY

[illegible]

I. *I declare that the information herein is true and correct to the best of my knowledge and belief.*

Date 7/30/96 Phone (123) 456-7890

Title	President
-------	-----------

(Owner, Accountant, Preparer, etc.)

Signature Iman Employer

J. TOTALS - THIS PAGE ONLY	K. TOTALS - THIS PAGE ONLY
5751.45	318.50

L. GRAND TOTALS - ALL PAGES		M. GRAND TOTALS - ALL PAGES
5751	45	318
		50

INSTRUCTIONS
QUARTERLY WAGE REPORT (DE6)
PLEASE TYPE ALL INFORMATION
TYPE DOUBLE SPACE ONLY - **DO NOT** SINGLE SPACE

Enter your account number in the box provided (if not preprinted).

Number the DE 6's consecutively, beginning with page 1, for each quarterly report.

If you have more than 16 employees use additional DE 6's or a format approved by the Department for the entire list.

ITEM A: Check the appropriate box on each DE 6 to indicate the type of subject wages and/or withholdings reported on that DE 6.

Do not combine employees with different types of subject wages on the same DE 6. Complete a separate DE 6 for each type of subject wages reported (Unemployment Insurance (UI) and Disability Insurance (DI), UI only, UI and Voluntary Plan DI, or Personal Income Tax (PIT) only).

BOX 1. Check this box if the employees reported on that DE 6 were paid wages that are subject to both UI taxes and DI contributions.

BOX 2. Check this box if the employees reported on that DE 6 were paid wages that are subject to UI taxes but not subject to DI contributions. This includes employees who claim an exemption from DI contributions under Section 2902 (Religious Exempt) of the California Unemployment Insurance Code (CUIC), Sole Stockholders who claim an exemption from DI contributions under Section 637.1 of the CUIC, employees of public entities who are not subject to DI contributions under Section 605 of the CUIC, and third party sick pay recipients who claim an exemption from DI contributions under Section 931.5 of the CUIC.

BOX 3. Check this box if the employees reported on that DE 6 were paid wages that are subject to DI contributions but not subject to UI taxes. This includes family members who elect coverage for DI under Section 702.5 of the CUIC, and domestic service employers who report wages that are subject to DI contributions under Section 2606.5 of the CUIC but are not subject to UI taxes under Section 629 of the CUIC.

BOX 4. Check this box if the employees reported on that DE 6 were paid wages that are subject to UI taxes and are covered by an employer sponsored Voluntary Plan DI for the payment of disability benefits.

BOX 5. Check this box if the employees reported on that DE 6 were paid wages that are paid subject to PIT but not subject to UI taxes or DI contributions.

ITEM B. Number of Employees - **ON PAGE 1 ONLY**, for each of the three months in the quarter, enter the number of employees earning wages during or receiving pay for the pay period(s) that includes the 12th day of each month. **Please complete all three months.** For the given month, each worker's social security number should be counted only once. Blank field will be identified as missing data.

ITEM C. Check this box if you had no payroll this quarter.

ITEM D. Check this box if this is your final report and you will not be reporting wages in any subsequent quarters.

ITEM E. Enter the Social Security Account Number (SSAN) of each employee to whom you paid wages in subject employment during the quarter. If an employee does not have an SSAN, report their wages and/or withholdings without the SSAN and take immediate steps to secure one.

ITEM F. Enter the name of each employee to whom you paid wages in subject employment during the quarter. The first initial is to be entered first, then the last name.

ITEM G. Enter the full amount of subject wages paid to each employee during the calendar quarter. **DO NOT ENTER WAGES IF YOU REPORT PIT ONLY AND THE WAGES ARE NOT SUBJECT TO UI AND/OR DI.**

ITEM H. Enter the amount of PIT withheld from each employee during the calendar quarter.

ITEM I. **ON PAGE 1 ONLY**, signature of preparer or responsible individual, including title, date and telephone number.

ITEM J. Enter the total of wages paid (Item G) for each page. Do not carry the total of Item J forward from page to page.

ITEM K. Enter the total PIT withheld (Item H) for each page. Do not carry the total of Item K forward from page to page.

ITEM L. **ON PAGE 1** or the last page, enter the grand total of all wages paid this quarter.

ITEM M. **ON PAGE 1** or the past page, enter the grand total of PIT withheld for all employees for this quarter.

THIRD PARTY SICK PAY

PAYER - REPORT THE PIT WITHHELD FROM THIRD PARTY SICK PAY ON A SEPARATE DE 6 USING YOUR ACCOUNT NUMBER, EMPLOYER NAME AND ADDRESS. CHECK BOX 5 AND NOTE "THIRD PARTY SICK PAY" ON THE FORM. DO NOT REPORT WAGES ON THIRD PARTY SICK PAY.

EMPLOYER - REPORT THE THIRD PARTY SICK PAY AS WAGES ON A SEPARATE DE 6, USING YOUR ACCOUNT NUMBER. EMPLOYER NAME AND ADDRESS. CHECK BOX 2 AND NOTE "THIRD PARTY SICK PAY" ON THE FORM. DO NOT REPORT PIT WITHHELD FROM THIRD PARTY SICK PAY.

HOW TO PREPARE ANNUAL TAX REPORTS

Annual Pay and Reconciliation Filer:

Annual Pay and Reconciliation Filers will use an Annual Contribution Return for Employers of Household Workers (Form DE 3HW) to pay and file payroll taxes. The Annual Contribution Return for Employers of Household Workers (Form DE 3HW) must be postmarked by January 31, 1997, to be timely. Please use the form sent to you. If your Annual Contribution Return for Employers of Household Workers (Form DE 3HW) is lost or damaged, please call your nearest Employment Tax Customer Service Office (ETCSO) to order a new form.

Not having a form is not good cause for late filing of your reports. If you have any questions about how to fill out the form, please call your nearest ETCSO listed inside the front cover of this book.

A sample completed form and instructions for completing the form are on the following pages.



DE 3 HW ANNUAL CONTRIBUTION RETURN FOR
EMPLOYER OF HOUSEHOLD WORKERS

APPROVED EXTENSION TO: _____

PLEASE TYPE ALL INFORMATION

YEAR ENDED December 1996

DUE January 1, 1997

DELINQUENT IF
NOT POSTMARKED
OR RECEIVED BY

January 31, 1997

YEAR
1996

EMPLOYER ACCOUNT NO.

Ima Homemaker
123 Myhouse Street
Homestead, CA 12345-1234

DEPT. USE ONLY

DO NOT ALTER THIS AREA

DETAILED INSTRUCTIONS ARE
LOCATED ON THE BACK
REPORTING

CHECK BOX

IF:

☐ NO WAGES THIS YEAR

☐ FINAL RETURN

☐ REVERT TO QUARTERLY

A. TOTAL SUBJECT WAGES PAID THIS CALENDAR YEAR

12000

B. EMPLOYER'S UNEMPLOYMENT INSURANCE (UI)
CONTRIBUTIONS

(Total Employee Wages up to \$7,000 per employee per calendar year)

WAGES

UI %

(B1)
7000

(B2)
3.4%

(B3)
238.00

(multiplied by)

WAGES

ETT

(C1)
7000

(C2)
.1%

(C3)
7.00

(multiplied by)

C. EMPLOYMENT TRAINING TAX (ETT)

Total Employee Wages up to \$7,000 per employee per calendar year)

D. EMPLOYEE DISABILITY INSURANCE (DI)
CONTRIBUTIONS

Total Employee Wages up to \$7,000 per employee per calendar year)

WAGES

DI %

(D1)
12000

(D2)
.8 %

(D3)
96.00

(multiplied by)

E/ CALIFORNIA PERSONAL INCOME TAX (PIT) WITHHELD

0

F TOTAL TAXES DUE (Add Items B3, C3, D3, and E)

341.00

G LESS VOLUNTARY DEPOSIT OF CONTRIBUTIONS DUE

0

H. BALANCE OF TOTAL TAXES DUE

341.00

INCLUDE EMPLOYER ACCOUNT NUMBER ON YOUR CHECK. Do not staple check to return.
Make check payable to EMPLOYMENT DEVELOPMENT DEPARTMENT Bank Number 123456

I. BE SURE TO SIGN THIS DECLARATION: I DECLARE that the information herein is true and correct to the best of my knowledge and belief.

Signature Ima Homemaker Title Employer Phone (123) 456-7890

INSTRUCTIONS
ANNUAL CONTRIBUTION RETURN FOR EMPLOYER OF
HOUSEHOLD WORKERS (FORM DE 3HW)

LINE **INSTRUCTION**

- A. Enter the total of all wages that you used when calculating UI/DI payments to EDD.
- B. Unemployment Insurance (UI) is paid on the first \$7,000 cash and non-cash wages paid to each employee during the calendar year.
Box B1: Enter the total UI cash and non-cash wages up to \$7,000 per employee.
Box B2: UI Tax rate. (Example: 3.4 percent)
Box B3: Multiply Box B1 by Box B2 to find the total UI contribution due. Enter the UI contributions due in Box B3.
- C. Employment Training Tax (ETT) contributions are paid by employers on the first \$7,000 cash and non-cash wages paid to each employee during the calendar year.
Box C1: Enter the total ETT cash and non-cash wages up to \$7,000 per employee.
Box C2: ETT tax rate. (Example: .1 percent)
Box C3: Multiply Box C1 by Box C2 to find the total ETT contribution due. Enter the ETT contributions due in Box C3.
- D. Disability Insurance (DI) contributions are deducted from employee's pay and held by the employer until this annual contribution return is filed. DI is withheld on the first \$31,767 of cash and non-cash wages paid to each employee during the calendar year.
Box D1: Enter the total DI cash and non-cash wages up to \$31,767 per employee.
Box D2: DI tax rate. (Example: .8%)
Box D3: Multiply Box D1 by Box D2 to find the total DI contributions due. Enter the DI contributions due in Box D3.
- E. Personal Income Tax (PIT) is withheld from employee(s) wages, and used to satisfy the yearly state income tax liability of your employee(s). As an employer of household workers, you ARE NOT REQUIRED to withhold PIT from employee(s) wages. However, you and your employee(s) may agree to withhold PIT.
- F. Enter the total of Boxes B3, C3, D3, and Line E.
- G. If voluntary deposits of UI and/or ETT were made, please enter the total of the deposit(s).
- H. Subtract Line G from Line F to find the amount of total taxes due. Enter the amount of total taxes due on Line H.

Annual Filer:

Annual Filers will use an Annual Reconciliation Return (Form DE 7) to file payroll taxes. The Annual Reconciliation Return (Form DE 7) must be postmarked by January 31, 1997, to be timely. Please use the form sent to you. If your form is lost or damaged, please call your nearest Employment Tax Customer Service Office (ETCSO) to order a new Annual Reconciliation Return (Form DE 7).

Not having a form is not good cause for late filing of your reports. If you have any questions about how to fill out the form, please call your nearest ETCSO listed inside the front cover of this book.

A sample completed form and instructions for completing the form are on the following pages.



Serving the People of California

DE 7 ANNUAL RECONCILIATION RETURN

PLEASE TYPE THIS FORM—DO NOT ALTER PREPRINTED INFORMATION
DETAILED INSTRUCTIONS ARE LOCATED ON THE BACK OF PAGE 3

APPROVED EXTENSION TO

☐ CHECK THIS BLOCK if changes are reported on the Request
For Change Form (complete page 3)

YEAR ENDED June 30, 1996DUE July 1, 1996DELINQUENT IF
NOT POSTMARKED
OR RECEIVED BYAugust 1, 1996

YEAR

1996

EMPLOYER ACCOUNT NO.

123-4567-8

Iman Employer
123 Main Street
Anytown, CA 12345

DO NOT ALTER THIS AREA							
DEPT. USE ONLY	P1	P2	C	P	U	S	A
DEPT. USE ONLY	EFFECTIVE DATE		Mo.	Day	Yr.		
			4	3	4		

FEIN 23-4567890ADDITIONAL
FEINSCHECK
BOX IF:A. NO WAGES PAID THIS YEAR ☐B. OUT OF BUSINESS / FINAL RETURN ☐C. TOTAL SUBJECT WAGES PAID THIS CALENDAR YEAR 45790 25

D. UNEMPLOYMENT INSURANCE (UI)

(Total Employee Wages up to \$ per employee per calendar year)

(D1) UI %

3.2

TIMES

(D2) UI TAXABLE WAGES

19762 00

=

(D3) UI CONTRIBUTIONS

632 38

E. EMPLOYMENT TRAINING TAX (ETT)

(E1) ETT %

.1

TIMES

UI Taxable Wages (D2) 19762.00

=

(E2) ETT CONTRIBUTIONS

19 76

F. DISABILITY INSURANCE (DI)

(Total Employee Wages up to \$ per employee per calendar year)

(F1) DI %

.8

TIMES

(F2) DI TAXABLE WAGES

30579 42

=

DI EMPLOYEE
(F3) CONTRIBUTIONS WITHHELD244 64PIT WITHHELD PER FORMS W-2
AND/OR 1099 RG. CALIFORNIA PERSONAL INCOME TAX (PIT) WITHHELD 1012 50H. SUBTOTAL (Add Items D3, E2, F3 and G) 1909 28I. LESS: CONTRIBUTIONS AND WITHHOLDINGS PAID FOR THE YEAR 1909 28
(DO NOT INCLUDE PENALTY AND INTEREST PAYMENTS)J. TOTAL TAXES DUE OR OVERPAID (Item H minus Item I)

If Amount Due, prepare a Report of contributions (DE 88) and submit check.

HELP US IMPROVE THE QUALITY OF OUR EMPLOYMENT TAX SERVICES. PLEASE RATE OUR CURRENT SERVICES BY ENTERING THE
APPROPRIATE NUMBER IN THE BOX: 4 = EXCELLENT 3 = GOOD 2 = FAIR 1 = POOR

K. Be sure to sign this declaration: I declare that the information herein is true and correct to the best of my knowledge and belief.

Signature Iman Employer Title Owner Phone (123) 456-7890 Date 1/30/97

(Owner, Accountant, Preparer, etc.)

INSTRUCTIONS

ANNUAL RECONCILIATION RETURN (DE7)

You must file this return even though you had no payroll. If you had no payroll, check the box for Item A and complete Item K.

Verify or enter your FEIN: The number should be the same as your federal account number. If the number is not correct, line it out and enter the correct number. If you have more than one FEIN relating to the state number, enter the additional FEINs in spaces indicated.

ITEM A. No Wages Paid This Year - Check this box if you did not pay wages subject to UI/DI contributions during the calendar year.

ITEM B. Out of Business/Final Return - Check this box if you quit business and this is your final return. Complete page 3.

ITEM C. Total Wages in Subject Employment - Enter the total of ALL wages subject to UI/DI contributions paid during the calendar year (refer to the California Employer's Guide (DE 44)).

ITEM D. Unemployment Insurance (UI)

D1. UI Rate - *NOTE: If you had a rate change which was not effective for the entire year, you will need to file a separate Annual Reconciliation Return for the period of time covered by each rate.*

D2. UI Taxable Wages - Enter total UI *taxable* wages for the year. DO NOT INCLUDE EXEMPT WAGES.

D3. Employer's UI contributions - Multiply D1 by the amount entered in D2 and enter this calculated amount in D3.

ITEM E. Employment Training Tax (ETT)

E1. ETT Rate

E2. Employment Training Tax - Multiply E1 by the amount entered in D2 and enter this calculated amount in E2.

ITEM F. Disability Insurance (DI)

F1. DI Rate

F2. DI Taxable Wages - Enter total DI *taxable* wages for the year. DO NOT INCLUDE EXEMPT WAGES.

F3. Multiply F1 by the amount entered in F2 and enter this calculated amount in F3.

ITEM G. Personal Income Tax Withheld (PIT)

Enter total California Personal Income Tax withheld, as reported on Forms W-2, and/or 1099-R. *CAUTION: TO AVOID A POTENTIAL ASSESSMENT, DO NOT ENTER TOTAL WAGES, FEDERAL WITHHOLDING, OR TOTAL PAYMENTS MADE FOR THE YEAR.*

All magnetic media of 1099-R must be submitted to:

Franchise Tax Board
P.O. Box 942840

ATTN: Magnetic Media Coordination, #599
Sacramento, CA 94240-6090

ITEM H. Subtotal - Add Items D3, E2, F3, G and enter the total here.

ITEM I. Contributions and Withholdings paid for the year - Total of all payments of UI, ETT, DI and PIT paid for this calendar year. *NOTE: Do Not include any payments made during the year for any prior years, or payments for penalty and interest.*

ITEM J. Total Taxes Due or Overpaid - Item H minus Item I (this should be zero if all payments have been properly paid). If amount is due, prepare a Report of Contributions (DE 88) by designating fourth quarter, and mail with a check or money order.

ITEM K. Signature of preparer or responsible individual, including title, phone number, and date.

HELP US IMPROVE. Rate the quality of our Employment Tax Services on a scale of 1 - 4 and enter the number in the box provided. Attach any comments on a separate sheet of paper.

RETURN OR REPORT DUE DATES

Annual Pay and Reconciliation Filer:

Annual Pay and Reconciliation Filers must send the Quarterly Report of Wages for Employer of Household Workers (Form DE 3BHW) each quarter. The quarter filing due dates and delinquency dates are listed on page 38 of this guide. The Annual Contribution Return for Employer of Household Workers (Form DE 3HW) must be postmarked by January 31, 1997, to be timely. It should be sent to the EDD with your payroll taxes.

If you cannot pay all or part of your taxes on time, you must still file the Annual Contribution Return for Employer of Household Workers (Form DE 3HW). Penalty and interest will be charged on late payroll tax payments.

NOTE: When your Quarterly Report of Wages for Employer of Household Workers (Form DE 3BHW) or Annual Contribution Return for Employer of Household Workers (Form DE 3HW) is mailed to the EDD, the postmark date is used to determine if your report is timely. When the last timely filing date falls on a Saturday, Sunday or a holiday, the next business day is the last timely date (see filing due dates and delinquency table on page 38).

NOTE: The EDD's automated system will send a notice to you in any quarter that a wage report is not received. For any quarter that you don't have wages to report, simply write "NO Wages" on the front of the Quarterly Report of Wages for Employer of Household Workers (Form DE 3BHW) and send the form to the EDD. If you have any questions, please call your nearest Employment Tax Customer Service Office listed on the inside front cover of this guide.

Annual Filer:

Annual Filers must send the Quarterly Wage Report (Form DE 6) each quarter. The quarter filing due dates and delinquency dates can be found on page 38 of this guide. The amount of taxes due should be sent each quarter with the Report of Contributions (Form DE 88). The Annual Reconciliation Return (Form DE 7) must be postmarked by January 31, 1997 to be timely.

If you cannot pay all or part of your taxes on time, you must still file the Report of Contributions (Form DE 88). Penalty and interest will be charged on late payroll tax payments.

NOTE When your Quarterly Wage Report (Form DE 6), Report of Contributions (Form DE 88) or Annual Reconciliation Return (Form DE 7) is mailed to the EDD, the postmark date is used to determine if your report is timely. When the last timely filing date falls on a Saturday, Sunday or a holiday, the next business day is the last timely date (see filing due dates and delinquency table on page 38).

NOTE: The EDD's automated system will send a notice to you in any quarter that a wage report is not received. For any quarter that you don't have wages to report, simply write "NO Wages" on the front of the Quarterly Wage Report (Form DE 6) and send the form to the EDD. If you have any questions, please call your nearest Employment Tax Customer Service Office listed on the inside front cover of this guide.

FILING DUE DATES AND DELINQUENCY DATES

RETURN COVERING	DUE	DELINQUENT IF NOT POSTMARKED BY
January, February March	April 1, 1996	April 30, 1996
April, May, June	July 1, 1996	July 31, 1996
July, August, September	October 1, 1996	October 31, 1996
October, November, December	January 1, 1997	January 31, 1997

YOUR UNEMPLOYMENT (UI) RESERVE ACCOUNT

When you register as a household employer who has paid \$1,000 or more in wages during a calendar quarter, you will receive an UI reserve account number that looks like: 000-0000-0. The payments you send to the EDD for UI are credited to your reserve account. The reserve account is a record of the UI contributions you have paid and the UI benefits that the EDD has paid to people who no longer work for you. Your reserve account is a "paper" account for record keeping purposes and has no cash value.

Each year the EDD will send you a Statement of UI Reserve Account (Form DE 2088). This form will show you the SDI, ETT and UI tax rates and taxable wage limits for the following year. The SDI, ETT and UI tax rates and taxable wage limits may change each year. New employers are assigned a UI tax rate of 3.4 percent for the first three years.

Annual Pay and Reconciliation Filers:

By December 31, 1996, you will receive the Statement of UI Reserve Account (Form DE 2088) showing your SDI, ETT and UI tax rates for 1997. The tax rates and taxable wage limits will also be shown on the following preprinted form the EDD will send to you:

- Annual Contribution Return for Employer of Household Workers (Form DE 3HW)

NOTE: UI tax rates are calculated on contributions paid before June 30 each year. Because your 1996 payroll taxes will not be received in time to be included in the calculation of your 1997 unemployment insurance tax rate. They will be included in the calculation of your 1998 unemployment insurance tax rate.

Annual Filers:

By December 31, 1996, you will receive the Statement of UI Reserve Account (Form DE 2088) showing your SDI and UI tax rates for 1997. The tax rates and taxable wage limits will also be shown on the following preprinted forms EDD will send to you:

- Report of Contributions (Form DE 88) coupon book, and
- Annual Reconciliation Return (Form DE 7)

UNEMPLOYMENT INSURANCE (UI) NOTICES

The last employer will receive a Notice of Claim Filed (Form DE 1101CZ or Form DE 1101C) when a claimant applies for UI benefits. If you receive one of these notices, it asks why the claimant is no longer working for you. If you have any information regarding why the claimant should not receive UI benefits, please send it to the EDD right away. You have 10 days from the date the notice was mailed to you to return the notice to the EDD. Your response is used to decide if the claimant is eligible to receive UI benefits. If you do not respond to the notice within 10 days of the date it was mailed to you, the EDD will not send you a ruling which tells you if you are responsible for the claimant's benefits. The Notice of Claim Filed (Form DE 1101CZ or Form DE 1101C) has instructions that tell you how to complete the form.

If the EDD finds that a claimant is eligible to receive UI benefits, Notices of Wages Used for UI Claim (Form DE 1545) is mailed after the first benefit check is mailed to the claimant. When you receive one of these notices, it means that your UI reserve account could be charged for UI benefits paid to the claimant. If you believe that your UI reserve account should not be charged for the benefits, it is important that you complete the notice explaining why. You must complete the form and return it within 15 days of the date it was mailed to you. If you have already responded to a Notice of Claim Filed (Form DE 1101CZ or Form DE 1101C) for the same employee and separation date, you do not need to complete this form. The Notice of Wages Used for UI Claim (Form DE 1545) has instructions that tell you how to complete the form.

RULINGS

If you complete the Notice of Wages Used for UI Claim (Form DE 1545), EDD will send a ruling to you. A ruling tells you if your UI reserve account will be charged for UI benefits paid to your former employee. The ruling is based on your response to the Notice of Wages Used for UI Claim (Form DE 1545).

APPEAL RIGHTS

You have the right to file a protest or appeal, if you don't agree with a decision made by the EDD about:

1. your former employee's right to receive UI benefits, or
2. your UI reserve account being charged for UI benefits paid to a person that no longer works for you

You must send your protest within 20 days of the date the decision was mailed to you. If you have any questions about filing a protest, please call the EDD office shown on the Notice of Determination/Ruling (Form DE 1080CT). An Administrative Law Judge will read your protest and make a decision. If you don't agree with the judge's decision, you may appeal to the California Unemployment Insurance Appeals Board (CUIAB). The CUIAB and its Administrative Law Judges are not part of the EDD.

STATE DISABILITY INSURANCE (SDI) NOTICE

When a person is no longer able to work at their normal job because of a non job-related illness or injury, they can apply for SDI benefits. If you are the claimant's most recent employer, the EDD will send you a Notice of State Disability Claim Filed (Form DE 2503). If you have any information about why the claimant should not receive SDI benefits, please send it to the EDD right away. Your response is used to decide if the claimant is eligible to receive SDI benefits. If you do not respond to the notice, the EDD will pay benefits to the claimant. If you need help to complete the Notice of State Disability Claim Filed (Form DE 2503), call the office shown on the notice. There is no charge to your Unemployment Insurance (UI) reserve account when an employee receives SDI benefits.

DEFINITIONS OF COMMON WORDS USED BY EDD

Annual Filer - Sends payroll taxes and wage reports to the EDD each quarter.
Sends final 1996 payroll tax report to the EDD in January 1997.

Annual Pay and Reconciliation Filer - Sends wage reports to the EDD quarterly.
Sends 1996 payroll taxes with annual tax report to the EDD in January 1997.

Cash Wages - Checks and currency paid to people who work for you.

Claimant - (1) A person who no longer works for you and has applied for Unemployment Insurance (UI) benefits; or (2) A person that has worked for you or is on your payroll now who has applied for State Disability Insurance (SDI) benefits.

Contributions - State Disability Insurance (SDI), Unemployment Insurance (UI) and Employment Training Tax (ETT) payments.

Domestic Employee (also known as household employee) - A person hired to work for wages in or around your home.

Domestic Employer (also known as household employer) - A person who hires one or more people to work for wages in or around their home.

Domestic Services (also known as household services) - Work done for wages by your household employee(s).

Employment Training Tax - A payroll tax used to fund job training for people in danger of becoming unemployed or people who have been receiving UI benefits.

Forms - Employers use the following forms to report payroll tax and employee wages:

1. Annual Contribution Return for Employer of Household Workers (Form DE 3HW)
2. Annual Reconciliation Return (Form DE 7)
3. Employer of Household Workers Election Notice (Form DE 89)
4. Quarterly Wage Report (Form DE 6)
5. Registration Form for Employers of Household Workers (Form DE 1HW)
6. Report of Wages for Employer of Household Workers (Form DE 3BHW)
7. Report of Contribution (Form DE 88)

Household Employee (also known as domestic employee) - A person hired to work for wages in or around your home.

Household Employer (also known as domestic employer) - A person who hires one or more people to work for wages in or around their home.

Household Services (also known as domestic services) - Work done for wages by your household employee(s).

Noncash Wages - Noncash payments, like meals and lodging you provide to your employee(s).

Payroll Records - Information you keep regarding wages paid to each household employee.

Payroll Taxes - State Disability Insurance (SDI) withholding, Unemployment Insurance (UI) Contributions, Employment Training Tax (ETT) and Personal Income Tax (PIT) withholding.

Personal Income Tax - A payroll tax that can be withheld from your household employee's wages.

Quarter - A three month period in a year, see table below:

QUARTER	MONTHS IN A QUARTER
1st quarter	January, February, March
2nd quarter	April, May, June
3rd quarter	July, August, September
4th quarter	October, November, December

Reserve Account - A record of the unemployment insurance contributions paid by you and the unemployment insurance benefits paid by the EDD to people who no longer work for you.

State Disability Insurance Tax - A payroll tax withheld from your household employees' wages to provide benefit payments in case they are not able to work because of illness or injury.

Taxable Wage Limit - The highest amount of wages that you pay taxes on for each employee. The taxable wage limits for 1996 are \$31,767 for SDI and \$7,000 for UI.

Unemployment Insurance Tax Rate - The percentage that you must pay on the first \$7000 of wages paid to each employee for 1996. The UI tax rate for new employers is 3.4 percent for the first three years. In following years, your tax rate will change depending on: (1) your average payroll for the previous three years; (2) how much you paid in unemployment insurance contributions; and (3) how much money has been paid and charged to your UI reserve account for unemployment insurance benefits for people who no longer work for you.

Wages - (1) Checks and currency paid to people who work for you;
(2) Noncash payments, like meals and lodging provided to people who work for you.

Withholding - Money subtracted from your employees' wages for State Disability Insurance and Personal Income Tax. You must send SDI and PIT withholdings to the EDD.